

# **Strategic Sustainability Performance Plan Executive Summary**

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## Policy Statement

The Millennium Challenge Corporation (MCC) is committed to promoting and supporting environmental sustainability in its policies and operations.

MCC is an innovative and independent U.S. foreign aid agency helping lead the fight against global poverty. Established in 2004, MCC has signed 35 development assistance compacts and entered into 26 threshold programs in countries worldwide. MCC's programs are based on the principles of good governance, country ownership, transparency, and a focus on results. MCC promotes environmental sustainability as a core element of economic growth in its partner countries.

MCC's Sustainability Performance Plan reflects the Agency's strong commitment to meet all applicable environmental and energy statutes, regulations, and Executive Orders, specifically addressing Executive Order (E.O.) 13693, *Planning for Federal Sustainability in the Next Decade*. E.O. 13693's goal is for agencies to "increase efficiency and improve their environmental performance." In particular, MCC recognizes the importance of the Order's first priority – to reduce energy use and cost.

MCC is a small agency with approximately 300 federal employees at its leased headquarters in Washington, D.C. and a minimal presence in partner countries abroad. Nonetheless, MCC is committed to create a sustainability-conscious operating environment for all of its employees and continuously improve policies and practices to enhance its environmental performance. During Q1 and Q2 of FY 2016, MCC relocated and consolidated the Agency's Washington, D.C. headquarters operations in a renovated leased facility. The new facility occupies approximately 16 percent less rentable floor space than MCC previously occupied and helped to substantially reduce energy consumption. MCC's tenant space in the new headquarter facility was designed to LEED- Gold standards. MCC is proud of its sustainability record and remains committed to a program of continuous improvement in the coming year.

## Executive Summary

### Vision

The Millennium Challenge Corporation (MCC) is committed to promote and support environmental sustainability in its policies and operations. MCC's Strategic Sustainability Performance Plan reflects its strong commitment to meet all applicable environmental and energy statutes, regulations, and Executive Orders, specifically addressing Executive Order (EO) 13693, *Planning for Federal Sustainability in the Next Decade*.

MCC is committed to create a sustainability-conscious operating environment for all of its employees and to continuously improve policies and practices that enhance its environmental performance. MCC has made continued progress toward that objective—increasing efficiency, reducing waste, and greening

procurement. MCC plans to make continued progress in FY 2016.

## Leadership

MCC's sustainability performance plan emphasizes implementation of its planned FY 2016 actions to:

- Relocate its Washington D.C. operations to leased space with a 16 percent smaller footprint (in terms of rentable square feet) that is LEED-certified Gold.
- Reduce the Agency's lease expenses, including operating costs. Operations in the new space will directly contribute towards long-term reductions in the Agency's energy consumption and improvements in environmental sustainability.
- Work closely with the new building managers to measure the Agency's consumption of utilities, improve energy efficiency, and reduce pollution and waste.

MCC's Managing Director (MD) of Administrative Services serves as the Agency's Chief Sustainability Officer (CSO) and is responsible for leading the planning, development, and evaluation of the Agency's annual strategic sustainability performance plan. As the Managing Director for Administrative Services, the CSO oversees facilities, non-IT personal asset management, office services, records management and fleet management. The MD for ASD reports directly to the DVP for Contracts and Administration (C&A) under the Department of Administration and Finance (A&F). A&F holds the majority of MCC's functional administrative responsibilities directly tied to attaining sustainability goals, including the Office of the Chief Information Officer (OCIO), the Human Resources Division (HRD) and the Financial Management Division (FMD), as well as the functions under the DVP for C&A, i.e., Contracts and Grants Management (CGM), and Domestic and International Security (DIS). A&F enhances accountability for coordinated planning and evaluation of agency-wide sustainability efforts involving key stakeholders in the Office of General Counsel (OGC), Department of Compact Operations (DCO), and Department of Policy and Evaluation (DPE).

## Performance Summary Review

MCC has found that its small size lends itself to integrating environmental sustainability measures with efforts to improve efficiency and productivity. The Agency is in the process of drafting a new strategic plan, and MCC plans to include environmental sustainability measures in its implementation. In particular, reduction of major expenses such as lease payments, airline travel, data center services (by outsourcing), and IT equipment procurement and disposal are allied with reductions in energy consumption and its associated greenhouse gas emissions, reduced long-term consumption rates of equipment and supplies, and lowered costs to comply with environmental sustainability mandates.

## Greenhouse Gas Reduction

MCC neither owns nor controls any significant sources of direct greenhouse gas emissions. Through mid-December 2015, MCC leased 129,206 square feet of commercial space in two adjacent commercial downtown Washington, D.C. office buildings. Electricity consumption in both buildings is centrally metered and shared with other lessees. MCC also leases and operates a single E85-fueled hybrid vehicle.

Given these circumstances, Scope 1 and Scope 2 greenhouse gas (GHG) emissions targeting do not apply to MCC.

Nonetheless, MCC's relocation to new headquarters will contribute toward Scope 2 GHG emission reductions.

- MCC consolidated its operations at its new location, into renovated leased space with a 16 percent smaller footprint (for a total of 108,373 rentable square feet).
- The building at MCC's new location is ENERGY STAR Labeled, and is Operations and Maintenance (O+M) LEED-certified Gold. Currently, one of the two buildings MCC previously occupied is not ENERGY STAR Labeled and has no LEED O+M certification; the other is ENERGY STAR Labeled and certified O+M LEED-certified Gold.
- The design requirements for MCC's new space were aligned to Commercial Interior LEED-certification at Gold. In addition, MCC specified that the new space achieve a minimum lighting power density 20 percent below the current standard, ASHRAE 90.1-2013.

MCC's Scope 3 target greenhouse gas (GHG) emissions derive from agency air travel. Air travel CO<sub>2</sub>e emissions during FY 2015 were 2116 MT, a 26.7 percent increase compared to FY 2014, and is 2.2 percent more than FY 2008 baseline of 2070 MT. Not included is staff commuting, which is tracked separately. For FY 2015, staff commuting miles attributable to staff use of public transportation was significantly improved to 73 percent, compared to 53 percent in FY 2011 (when data first became available) and 50 percent last year. The proportion of Federal staff with regular telework agreements in FY 2015 was 19 percent, the same proportion in FY 2014. MCC revised its telework policy in Q4, FY 2015 to encourage more telework by increasing the number of workdays per pay period employees are permitted to telework, the first major change in policy since 2010.

## **Pollution Prevention and Waste Reduction**

MCC is committed to pollution prevention, waste elimination and recycling, and has taken steps to minimize waste and encourage conservation. In FY 2016, MCC:

- Responsibly disposed of all furniture and fixtures from the two vacated leased facilities;
- Continued to operate all its network printers with the default set to duplex (double-sided) printing and no cover sheet printing;
- Continued use of environmentally preferable soy-based inks;
- Continued use of 100 percent post-consumer recycled content, acid- and elemental chlorine-free, Forest Stewardship Council certified paper;
- Maintained its lease in one ENERGY STAR building through December and then moved into a single building with ENERGY STAR labeled, LEED-certified Gold;
- Maintained a leased hybrid fleet vehicle;
- Implemented internal communications campaigns to raise awareness of employee contributions to conservation;
- Continued to offer a commuter subsidy program to encourage use of public transportation; and
- Participated in recycling programs with vendors, including toner and cell phone recycling.

## **Sustainable Acquisition**

E.O. 13514 required agencies to advance sustainable acquisition and ensure that 95 percent of applicable new contract actions meet Federal mandates for acquiring products that are energy efficient, water efficient, bio based, environmentally preferable, non-ozone depleting, recycled content, or are non-toxic or less toxic alternatives, where these products meet performance requirements. MCC's CGM division procures all of MCC's headquarters requirements and processes all of MCC's Federal Acquisition Regulation-based contract actions. MCC does not procure any direct supplies or products other than commercial office supplies. The majority of MCC's contract actions are for services, commercial and other, not supplies and products. Therefore, the primary way in which sustainable acquisition requirements could potentially impact MCC and its contractors are in service contracts that contain Other Direct Costs (ODCs) that may involve procurement of commercial office supplies by contractors with Government funds under time and materials contracts and in micro purchases conducted using the Government purchase card.

For micro purchases, MCC has emphasized the need to procure sustainable and bio based products in its purchase card program's Standard Operating Procedures (SOPs), including links and explanations as to what constitutes a sustainable product through the EPA Comprehensive Procurement Guidelines and the U.S. Department of Agriculture Bio preferred program. MCC will ensure these SOPs are updated in FY 2016 to reflect the requirements for sustainable acquisitions in E.O. 13693. MCC has also required use of the Federal Strategic Sourcing Initiative blanket purchase agreements for purchasing office supplies, further strengthening MCC's current and future compliance.

## **Electronic Stewardship and Data Centers**

Under the stewardship of its Chief Information Officer (CIO), MCC's core information systems and data services have been substantially virtualized and transitioned to cloud based services or to a commercial facility, which has enabled the Agency to minimize IT-related infrastructure and to access surge capacity as needed. In addition, MCC uses "software as a service" and federal shared services for the Agency's office applications, financial system, procurement system, audit tracking systems, and video collaboration systems. Through these efforts, MCC continues to optimize and reduce its IT-related equipment, infrastructure, and electricity consumption.

MCC utilized the FY 2016 relocation to new quarters to take a major step in consolidating copying and printing services to shared multi-function devices resulting in a 50 percent decrease in personal printers. The agency expects the consolidation to reduce device energy and toner cartridge consumption, as well as total agency copy and print service costs.

MCC's relocation also prompted the Agency to identify and dispose of unneeded personal property and IT equipment. Four rounds of disposal activities were conducted from May through December 2015. MCC adhered to the General Services Administration's (GSA) Personal Property Management Program and closely coordinated efforts with GSA Property Disposal Specialists.

## **Climate Change Resilience**

MCC is committed to helping its partner countries achieve effective and sustainable development outcomes. Through its compact programs, MCC helps them achieve [climate resilient, low carbon, economic development](#) where it is both consistent and within MCC's core mission of reducing poverty through economic growth that is economically and technically feasible.

Under MCC's *Compact Development Guidance*, the Agency addresses requirements for climate change risks and opportunities in the design, implementation, and monitoring of projects resulting from its investments. The requirements encourage partner countries to assess climate risks and vulnerabilities early in the compact development process and, where relevant, incorporate cost effective adaptation measures into their MCC poverty reduction programs that will improve environmental and social performance and promote more sustainable development outcomes.

## Challenges

As a tenant in a leased facilities since 2005, MCC does has not had independent power metering and therefore does not have the necessary level of control or data to adequately measure the agency's energy consumption or the impact conservation efforts have had.

- **Monitor MCC headquarters' utility consumption** – In cooperation with the lessor of MCC's new space, develop procedures to implement reporting and monitoring of MCC's utility consumption. Data will be used to assess utility-saving proposals and evaluate the results of initiative undertaken. In the meantime, the lessor also has a plan for conservation of energy based on the building being certified LEED Gold.
- **Update MCC's procurement policies and guidance** – Updates to further reflect and meet the requirements for sustainable acquisition pursuant to E.O. 13693.
- **Promote telework.**

## Accomplishment

In FY 2016 MCC completed the move to the new facility achieving the projected 16 percent decrease in the overall footprint of the agency's headquarters location. While a baseline for energy utilization is not possible due to the lease nature of the agency's prior headquarters facilities, MCC has actively deployed lighting management controls in the new facilities to provide insight going forward. Since the system was brought online in December of 2016, MCC has achieved a savings of 12 percent in lighting power.